

Bldg & Gso-9

9 AUG 1976

Mr. John F. Galuardi
Regional Administrator, Region 3
General Services Administration
Washington, D.C. 20405

Dear Mr. Galuardi:

With reference to renovations of the [] for use by the Intelligence Community Staff, it has been found necessary to reduce the scope of work as presently bid upon by the construction contractor. It is understood that the contract for this work is negotiated; therefore, it would be appreciated if negotiations could be entered into with the low bidder to reduce project costs thereby permitting withdrawal of some of the funds already allocated for this project.

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The order of precedence of scope reduction in negotiations should be as delineated below. It would be appreciated if Agency engineering personnel could participate as observers in negotiations in order to judge relative value of scope reductions.

- a. Eliminate computer floor in rooms 107, 108, 109, and 110.
- b. Eliminate emergency generator (but leave switching devices for future connection). Mechanical ventilation/exhaust system and electrical distribution shall remain part of the contract.
- c. Eliminate interior and exterior painting.
- d. Delete removal of the existing fire escape.
- e. Delete refurbishment of elevator.
- f. Delete the proposed standpipe and sprinkler systems.
- g. Do not change the existing primary entrance doors.

Mr. John F. Galuardi

- h. Eliminate hot water circulators.
- i. Eliminate the kitchen unit on the sixth floor (retain plumbing and power rough-in for later installation).
- j. Replace all type A doors with hollow core wood doors.
- k. Eliminate soundproofing from the disintegrator room.
- l. Change vault wall construction in basement and first floor from plate steel to reinforced concrete block (Agency engineers will provide details).
- m. Eliminate men's toilet 117 and women's toilet 119 on the first floor (but retain the visitor toilet 122).
- n. Delete Lexan on all windows except first floor.
- o. Reduce exterior lighting by 50 percent (but retain power panel capability for possible expansion).
- p. Existing first floor inner vestibule doors and wall shall remain.
- q. Eliminate Mylar window treatment from floors three through six.
- r. Substitute heat detectors for smoke detectors in vaulted areas.

An additional measure of savings can be realized if all conduit for regular telephone systems in the suspended ceiling is eliminated, but conduit is retained in walls. This Agency will negotiate acceptability of this option with C&P Telephone Company prior to prioritizing this item on the scope reduction list. As a final item, because the project is being accomplished under maximum austerity conditions, it is believed that contingency funding in the amount of \$15,000 is satisfactory.

Mr. John F. Galuardi

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Chief, Real Estate and Construction Division,
OL, may be contacted for further information.

Sincerely,

Signed: James H. McDonald *by H.E.P.*

James H. McDonald
Director of Logistics

cc: D/DCI/IC
DD/A
D/Sec
General Counsel, OL

MEMORANDUM OF LAW

SUBJECT: Community Headquarters Building - Agency Authority for Required
Alterations

1. The Director of Central Intelligence (DCI) has determined that

[REDACTED] Washington, D.C., STAT

is to be occupied by the Intelligence Community Staff (ICS) and the Committee on Foreign Intelligence (CFI). He has further determined that these entities must be occupying the structure, which is to be known as the "Community Headquarters Building" (CHB), in a functional mode by 1 November 1976. Prior to the CHB being occupied by the ICS and CFI extensive alterations will be required in an amount to exceed \$500,000. To underwrite these costs OMB has released to the Agency from the Contingency Reserve the necessary sums.

2. Section 7 of the Public Buildings Act of 1959, as amended (40 U.S.C.A. 606) provides that "no appropriation shall be made to . . . alter . . . any building to be used as a public building¹ which involves a total expenditure in excess of \$500,000 if such . . . alteration . . . has not been approved by resolutions adopted by the Committees on Public Works of the Senate and House of Representatives respectively." Section 7 further provides that

¹ For purposes of this discussion, it is conceded that the CHB is a public building.

for purposes of obtaining the required approvals the Administrator, GSA is to transmit to the Congress a prospectus which among other things must (a) describe the building; (b) identify the building; (c) provide an estimate of the alteration costs.

3. Responsible GSA officials have advised the Agency if they are required to submit a prospectus to the Congress for the alteration of the CHB, commencement of work will be delayed from between 12 to 18 months if in fact Public Works Committees' approval is ultimately obtained.

4. Out of deep concern for the impact on the Agency's performance of its foreign intelligence function that will result from the inordinate delay to the functional occupancy of the CHB should GSA abide by the prospectus requirement, the issue posed is whether under the unique circumstances here the Agency may ask GSA to proceed with the required alteration work without regard to Section 7 of the Public Buildings Act. In my opinion, the Agency does have the legal authority to levy such a requirement on GSA.

5. Section 8(a)(1) the CIA Act of 1949, as amended, provides notwithstanding any other provisions of law, sums made available to the Agency by appropriation or otherwise may be expended for purposes necessary to carry out its functions, including --

This provision then goes on to prescribe some 17 purposes for which the Agency may expend its monies. However, since the purposes identified are prefaced by the word "including," it follows that the language sanctions expenditures for purposes in addition to those specified, subject only

to the restriction that they must be incurred in the performance of an Agency function.

6. The functions and duties of the Agency are those prescribed in section 102(d) of the National Security Act of 1947, as amended, which in addition to those set out in subsections (1) -- (4) include the performance of such other functions and duties as the National Security Council may from time to time direct [subsection (5)].

7. The President by virtue of the authorities vested in him by the Constitution and statutes of the limited states including the National Security Act which makes him the presiding officer of the National Security Council bar issued Executive Order 11905. Insofar as here material the Order established the Committee on Foreign Intelligence with the DCI as the Chairman [Section 3(b)]. In addition, it imposed on the DCI the function of acting as the executive head of the Intelligence Community Staff [Section 3 (d) (11)]. The stated purpose of the order, among others, "is to establish policies and improve the quality of intelligence provided for national security." In addition it establishes a deadline for its implementation. For example all NSID's and DCID' must be amended within ninety days to be consistent with the Order and heads of departments and agencies within the Intelligence Community must issue supplementary directives consistent with Order within ninety days of its effective date. These prescribed deadlines make it quite evident that an issue of urgency prevails. It is also quite evident that the DCI cannot fulfill the new functions and duties which have been thrust upon him while he awaits for 12 to 18 months for the space needed to house the staff he requires.

8. GSA expeditiously authorized an A&E survey of this facility immediately upon the identification of the building for ICS occupancy. Accelerated and concentrated joint planning by GSA and the Agency has resulted in the preparation and completion of demolition drawings, requirements drawings, and specifications. Project implementation schedules anticipated demolition from mid-June to mid-July, contract cycle and award by 15 July, notice to proceed by 21 July, and construction completion

on 1 Feb. 1976
by 15 October 1976. *Some preliminary steps were taken in a meeting held on 1 Feb. 1976. The RFP and oral discussion with the Suburban Service Building. The RFP and oral discussion with the Suburban Service Building.*

9. In the interim, the Agency has continued its planning and has identified long-leadtime procurement items and independent contracting requirements for a centralized secure communications system to be installed in this building. Solicitations for bid and prebid conference have been implemented for a secure communications system wire and equipment installation contract. Bids were secured and contract award was made 25 June. Offsite contractor work is scheduled from 1 July to 1 August. Onsite work was scheduled to start from 1 August or no later than 15 August in order to allow a minimum of 60 days for systems installation by 15 October. The start of the GSA general contract by 21 July will provide required conduit installation and limited critical space preparation by 15 August in order to allow the above Agency wire and equipment installation contract to commence as scheduled.

10. Ongoing Agency procurement actions have resulted in the firm procurement of a secure communications automatic switching system which is to be delivered on 10 September and made active by 11 October 1976. Other procurements include delivery of encryption equipment for installation

1. The Agency submitted a formal request for occupancy of Government-owned space in the Washington area to house the Committee on Foreign Intelligence (CFI) and the Intelligence Community Staff (ICS). The need for this space arises from the Presidential directive in E.O. 11905 which creates the CFI, a new entity, and substantially increases the responsibilities of the ICS necessitating a major expansion of that Staff. There is not sufficient space within buildings currently occupied by CIA in the Washington Metropolitan ^{A (WMP)} area to house the above groups. In addition it is the desire of the DCI and, as most recently expressed by the House Appropriations Committee during budget hearings, the Congress's intent that these groups be physically and operationably ^{separated} ~~reported~~ from CIA Headquarters. The GSA in response to our request for space offered several parcels of space in the MWA. ~~and~~ The DCI selected the [] STAT
[] from amongst them. STAT

2. GSA has officially informed this Agency that they do not have funds to accomplish the necessary modification and renovations to the [] STAT
[] The Agency has agreed and has transferred its own funds to GSA to accomplish this work under Job Order Nos. 76-2247 and 76-2707. These funds were not appropriated to CIA specifically for construction, modification or renovative purposes. Funding for this effort has come from the Agency's Contingency Reserve which is controlled by the Office of Management and Budget (OMB). The use of these funds to relocate the ICS has been approved by OMB, and the House Appropriations Committee staff was expressly informed of the cost of this effort, and the ^{the same committee} ~~the same committee~~ House Committee on Appropriations commented in writing to the Agency that

such costs appeared to be excessive, but no denial voice was raised at to their expenditure for these purposes.

3. To domicile the CFI and ICS in the [] major alterations and renovations will be required. These alterations and renovations will result in a building somewhat unique from the normal Federal or Public building.

4. Due the sensitivity of the activities and personnel located or visiting the [] it will represent a high risk factor and a prime target for dissident, terrorist, and foreign intelligence groups. To protect against these factors and safeguard the highly classified and sensitive all source material, extraordinary security precautions must be taken. Modifications to the building will include the installation of bullet, missile, and explosive resistant glass in windows and main entry doors, vestibule and main lobby. The main lobby will also have an enclosed bullet resistant guard booth for controlled access to the inner portions of the building. In addition, special security alarms will be installed and a significant portion of the building converted to masonry, sheet steel or expand metal type vaults. Also the building will house unique operational functions including a central secure voice communications system, cryptographic equipment for data link and facsimile transmissions and a 24-hour Crisis Warning Center with communications networks to all major intelligence agencies. To insure power to these facilities, a standby emergency power system will also be installed in the building.

5. As mentioned heretofore, the [] will require major alterations/renovations to accommodate the CFI and ICS. The President in his E.O. 11905 directed the DCI and the Agency to establish such procedures and regulations as necessary to ensure an operating capability within 90 days. While this has been done, it represents only a skeletal organization in terms of the new and broad-ranging responsibilities of the ICS.

6. The ICS has received approval to expand its staff an additional 70 positions and is actively hiring additional personnel to meet its expanded responsibilities as directed by the President. Present ICS space in Headquarters Building can no longer absorb staffing increases. Due to this overall shortage of space in Headquarters Building, additional space will not be available for the remainder of personnel being hired. The space problem is increasingly exacerbated by the nature of the ICS function involving many high-level Government personnel assigned to it from the various departments and agencies. Accordingly, the effective use of ICS personnel cannot be achieved without adequate facilities.

7. It has been determined by the AD/DCI/ICS and it is the DCI's desire that the CFI and fully-manned ICS be in a functional and operational posture in the modified [] by 1 November 1976. In order to achieve this objective many concurrent multifaceted and interrelated planning, procurement, contracting, and commitment actions have been taken and are underway to accelerate project implementation and the housing of these components within this time frame.

as part of this system on 1 September 1976. Additional procurements include GFE supplementary system devices and equipment which must be provided to the Agency contractor on 1 July for his offsite work during July, to the GSA general contractor during the initial critical construction period from 21 July to 15 August, and to the Agency contractor for his onsite work from 15 August to 15 October.

11. The tight time frames and coordination required to concurrently and consecutively blend the above actions of the various contractors and the delivery of the procurement items are important keys to the timely success of this project. Accordingly, if the split timing of the general contractor or the availability of GFE is not timely, the Government could expect to experience excessive costs due to those additional costs incurred by an Agency contractor who is fully mobilized, ready to work in the agreed upon time frame, and unable to work due to unavailability of prepared critical space and conduit distribution systems. Consequently, additional costs would also occur through the use of overtime to meet the 15 October systems operational target date. The option not to use overtime would result in inability to meet the required 15 October systems and organization operational timing.

12. Remaining Agency procurement items include such timely acquisitions such as furniture and furnishings for the newly hired employees and carpeting for the building. Timing for procurement and delivery is by 15 October directly to the building for placement and installation. Delays in construction and the resulting unavailability of space could

involve double handling of the above, storage in a warehouse, and the inherent additional costs, as well as impeding the efficient operation of the ICS itself.

13. On the basis of the above information and rationale, GSA has determined that a "public exigency" exists and the contract for the alteration/renovation of the [] will be a negotiated contract as approved to the more lengthy process of formal advertising.

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Mr. James F. Steele, Jr.
Regional Public Building Service
General Services Administration
Washington, D. C. 20405

Dear Mr. Steele:

This letter is in response to your request of 16 June for a statement that Agency funds for the renovation of the [redacted] in connection with Job Order Nos. 76-2247 and 76-2707 are exempt from the provisions of the Public Buildings Act of 1959, as amended (40 U.S.C. 606).

This is to advise that in our judgment funds that have been made available for the performance of work under the above cited job orders are exempt from the requirements of the Public Buildings Act, as amended, by reason of the authorities granted to this Agency under Section 8 of the CIA Act of 1949, as amended (50 U.S.C. 403j).

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